GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2074
ANSWERED ON:01.12.2000
SIKKIM BANK LIMITED
UTTAMRAO DEORAO PATIL

Will the Minister of FINANCE be pleased to state:

(a) whether the `Sikkim Bank Limited` has been declared bankrupt;

(b) if so, the measures taken by the RBI to refund the deposits of the people;

(c) whether the Government propose to merge this bank with some other Bank; and

(d) if so. the details thereof and the steps taken to revive this bank?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL) ;

(a) to (d) Owing to its continuing deteriorating financial position, Sikkim Bank Ltd.was initially placed under moratorium with effect from 8th March, 1999, and subsequently amalgamated with Union Bank of India with effect from 22nd December, 1999. As per the provision of the scheme of amalgamation, the liability of Union Bank of India towardsthe depositors of the erstwhile Sikkim Bank Ltd. is strictly restricted to the difference between readily realisable assets and outside liabilities. Union Bank of India hasreported that is has already credited eligible depositor`s accounts with the pro-rate share alongwith claim amount settled by DICGC.